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Egypt

Citrus

Annual

2006

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Report Highlights:
There are few distinctive trends in Egypt's citrus sector, with area, production, trade, and consumption relatively unchanged. Nonetheless, due to improved growing conditions, orange production and exports are forecast to increase slightly in 2006/07.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Annual Report
Cairo [EG1]
[EG]

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PSD Oranges

Egypt Oranges (Thousand Hectare)						
		2005		2006		2007
	Old	New	Old	New	Old	New
Market Year Begin		**10/2005**		**10/2006**		**10/2007**
Area Planted	91	92	90	92	0	93
Area Harvested	88	89	87	90	0	91
Bearing Trees	4672	4723	4621	4800	0	4830
Non-Bearing Trees	3936	3979	3893	3980	0	3955
TOTAL No. Of Trees	8608	8702	8514	8780	0	8785
Production	1789	1800	1775	1830	0	1840
Imports	0	0	0	0	0	0
TOTAL SUPPLY	1789	**1800**	1775	**1830**	0	**1840**
Exports	610	589	604	600	0	620
Fresh Dom. Consumption	1139	1171	1131	1189	0	1178
Processing	40	40	40	41	0	42
TOTAL DISTRIBUTION	1789	**1800**	1775	**1830**	0	**1840**

Production

For the 2006/2007 season, both orange area and production are expected to increase slightly. This expected increase in production is due to the increased number of bearing trees and the continued absence of strong winds. Strong winds can be a large determining factor for overall yield and production as they usually cause damage to fruit sets. In 2005, total planted orange area was estimated at 92,000 hectares, 1,000 hectares over the 2004 level. Production in 2005 also increased slightly over the 2004 level. The increase in total orange production was mainly due to the increase in average yield, 20.6 MT/hectare in 2004/2005 compared to 20.5 MT/ hectare in 2003/2004. The increase in yields in 2005 can be explained by the absence of strong winds which usually cause damage to fruit sets.

Oranges are a winter fruit well-suited to the Egyptian climate. Orange production accounts for half the total fruit production in Egypt. Cultivation is centered in two large geographic regions: the fertile Delta area and the newly reclaimed lands. About 80 percent of Egypt's total orange production is on large farms of 10-100 feddans (one feddan = 0.42 hectare); 20 percent of production is on small farms (1-10 feddans). Navel oranges are the predominant variety. Smaller amounts of local (baladi), sweet, valencia, and other varieties are also produced. The harvest of navel oranges begins in October and is followed by other varieties in November and December. Harvest usually lasts from 4 to 5 months.

Consumption

The level of use for direct consumption and for the processing industry is not changing significantly. Oranges are the main fruit available in Egypt during the winter. Due to the fact that oranges are relatively inexpensive, Egyptians consume large amounts of oranges, both fresh and as juice. Per capita consumption of oranges is estimated at about 17 kg per year.

The orange processing industry is expanding due to the increased number of companies producing orange juice. Currently, there are six major orange juice processors in Egypt. Most companies depend on the baladi and summer varieties for processing.

Domestic production is primarily destined for fresh consumption. Imported orange juice is also available in the market. Egyptian citrus grown in arid areas (reclaimed desert land) is characterized by low juice content, while fruit produced in the more humid regions, mainly along the Red Sea and Mediterranean coast, has much higher juice content.

Trade

With expectations for increased domestic availability, orange exports are forecast to grow moderately in 2006/07. Although Egypt has excellent opportunities for expanding its orange exports due to its favorable climate and strategic geographic location, exports to the European market continue to be limited by the uneven quality of Egyptian oranges, as well as by competition from other suppliers such as Spain, Israel, and Morocco. The Egyptian orange export season is relatively long, extending from October to April, which is quite favorable for the export of navel oranges. However, in 2005/06 Egypt's total orange exports increased to non- tradition markets such as Croatia, Russia and Norway. Orange exports to Saudi Arabia and other Arab countries decreased in MY 2005/06.

The EU-Egyptian Partnership Agreement offers several tariff concessions for Egyptian orange exporters. European countries import baladi and summer varieties, mainly for juicing. Egypt receives a duty-free TRQ of 50,000 MT for fresh or dried oranges (080510). The TRQ will increase by ten percent of the new base (50,000 MT) over three years with a cap at 60,000 MT in the final year and beyond. The current TRQ for oranges is 8,000 MT at zero duty from December through May, provided that the entry price is at least EUR 266/MT.

Egypt's orange TRQ consists of fresh sweet oranges which fall in H S headings 08051010, 08051030 and 08051050, and can only be imported into the EU from December 1 to May 31 with a limit of no more than 34,000 MT at an agreed entry price of EUR 264/MT. If the price for a consignment is lower than 92 percent of the agreed entry price, the specific duty bound within the WTO will apply. Export quantities above the TRQ amount will be assessed at 60 percent of the EU's MFN tariff.

Egyptian exporters prefer to sell their production for cash on an FOB basis in order to avoid the risk of being rejected due to sanitary- phytosanitary (SPS) reasons or being in a position to face adjusted prices due to quality factors. At the present time, there are about 20 private sector, small to medium size exporters and four large orange exporters in Egypt. Reportedly, three major companies control about 80 percent of the export market, while one public sector company sector controls about 20 percent of the export market.

Export Trade Matrix

Egypt Oranges MT			
Exports to	**2004**	**Exports to**	**2005**
U.S.		U.S.	
Others		Others	
Saudi Arabia	210,751	Croatia	73,638
Other Arab Countries	99,420	Norway	69,307
Russia	94,549	Kenya	68,430
Ukraine	46,684	Singapore	60,650
England	44,039	Spain	53,647
Holland	42,115	Chic	52,680
Spain	17,257	Singale	50,870
Italy	6,523	Serbia	48,820
Slovenia	4,995	Georgia	46,760
Belarus	4,089	Canada	45,680
Total for Others	570,422		570,482
Others not listed	34,319		18,518
Grand Total	604,741		589,000

PSD Tangerines

Egypt Fresh Tangerines (Thousand MT)						
		2005		2006		2007
	Old	New	Old	New	Old	New
Market Year Begin		**10/2005**		**10/2006**		**10/2007**
Area Planted	39	39	0	40	0	40
Area Harvested	35	35	0	36	0	37
Bearing Trees	2,140	2,140	0	2,196	0	2,257
Non-Bearing Trees	1047	1047	0	1072	0	1011
TOTAL No. Of Trees	3,187	3,187	0	3,268	0	3,268
Production	483	483	0	484	0	497
Imports	0	0	0	0	0	0
TOTAL SUPPLY	483	**483**	0	**484**	0	**497**
Exports	10	10	0	10	0	12
Fresh Dom. Consumption	473	473	0	474	0	485
Processing	0	0	0	0	0	0
TOTAL DISTRIBUTION	483	**483**	0	**484**	0	**497**

Production

As was the case with oranges, tangerine production is forecast to increase in 2006/07 due to expectations for better growing conditions, particularly the absence of strong winds. Area remains relatively constant. In 2005/06, total tangerine production increased slightly to 483,000 MT, as compared to 481,000 MT in 2004/2005. This increase is attributed mainly to the increase in the number of bearing trees in addition to the absence of strong winds.

The major variety of tangerines grown in Egypt is the mandarin, a local “baladi” variety which is not a hybrid. Mandarins are mainly produced for the local market with limited quantities for export. The mandarin production season is shorter than the orange season. The marketing season begins in November/December but ends in February/March, about two months earlier than the orange season.

Consumption

Use for human consumption is relatively flat, and no significant processing industry exists. In 2005/2006, total mandarin consumption increased to 473,000 MT compared to 471,000 MT in 2004/2005. Despite the predominance of orange production, many Egyptian consumers prefer mandarins to oranges because they are easier to eat. During the 2005/06 marketing season (November-October), wholesale prices averaged LE 1 per kg, and retail prices were around LE 1.50 per kg.

Trade

In 2006/07, exports are estimated at approximately 10,000 MT, the same as the previous year. All mandarin exports are handled by the private sector. Mandarins do not require a special cleaning or waxing process. The major export market for Egyptian mandarins is the Gulf countries. The average export price for mandarins in the 2005/2006 season was approximately $350 per MT, about the same price in the 2004/05 season during the same period of time.

PSD Citrus, Other

Egypt Fresh Citrus, Other (Thousand MT)						
		2005		2006		2007
	Old	New	Old	New	Old	New
Market Year Begin		**10/2005**		**10/2006**		**10/2007**
Area Planted	19	19	0	20	0	20
Area Harvested	17	17	0	18	0	19
Bearing Trees	855	855	0	900	0	925
Non-Bearing Trees	704	704	0	740	0	715
TOTAL No. Of Trees	1559	1559	0	1640	0	1640
Production	413	413	0	430	0	440
Imports	0	0	0	0	0	0
TOTAL SUPPLY	413	**413**	0	**430**	0	**440**
Exports	20	20	0	15	0	17
Fresh Dom. Consumption	376	376	0	415	0	423
Processing	17	17	0	18	0	18
TOTAL DISTRIBUTION	413	**413**	0	**370**	0	**440**

Production

Sweet and sour limes and bitter oranges are the major types of other citrus produced in Egypt. Limes, known as "lamuun" in Arabic, account for most of this category. Lime trees produce throughout the year, with the greatest output occurring in the late summer months of September and October. Egyptian consumers have a strong preference for limes. Fresh sliced limes often are served with meals. A heavily sweetened, fresh lime juice is also very popular, as are pickled limes which accompany many dishes.

Most of the production of bitter orange is processed into jelly and marmalade. Reliable statistical data on the production and marketing of bitter oranges is not available.

Grapefruit is another citrus fruit that is not very popular in Egypt. Most of the grapefruit grown are seedless varieties. The area currently under cultivation is estimated at approximately 220 hectares mainly grown to service hotels, restaurants and other facilities that cater to the tourist industry. Unless export demand increases, grapefruits are not expected to become a significant citrus crop.